

Message Text

CONFIDENTIAL

PAGE 01 LISBON 07254 191740Z
ACTION TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 NSC-05 AID-05 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 SS-15 L-03
H-01 PA-01 PRS-01 /081 W
-----026488 200004Z /72

R 191650Z SEP 77
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 3088

C O N F I D E N T I A L LISBON 7254

DEPT ALSO PASS TREASURY FOR SYVRUD

E.O. 11652: GDS
TAGS: EFIN, PO
SUBJECT: BANK OF PORTUGAL ANNOUNCES REPAYMENT OF ESF LOAN

REF: LISBON 7221

1. BANK OF PORTUGAL LATE EVENING SEPT 16 ISSUED PUBLIC RELEASE ON REPAYMENT OF ESF LOAN. TEXT OF COMMUNIQUE (EMBASSY TRANSLATION) IN PARA (3) BELOW.
2. FULL TEXT CARRIED IN SATURDAY, SEPT 17 EDITION OF PRO-GOVERNMENT "DIARIO DE NOTICIAS" WIHOUT COMMENT AND IN SEPT 19 EDITION OF COMMUNIST "O DIARIO". LATTER DAILY REFERS SARCASTICALLY TO ESF OPERATION, WITH CONSEQUENT DECLINE IN PORTUGAL'S GOLD RESERVES, AS EVIDENCE OF U.S. "AID" AND "GENEROSITY" AND CALLS ON GOP TO REVEAL TERMS OF LOAN. "A LUTA" AND "O DIA" CARRIED STRAIGHTFORWARD REPORTS SEPT 17 UNDER RESPECTIVE HEADLINES "FIVE PERCENT OF BANK OF PORTUGAL'S GOLD RESERVES TRANSFERRED" AND "BANK OF PORTUGAL CLARIFIES SITUATION ON GOLD RESERVES."

3. FOLLOWING IS FULL TEXT OF BANK OF PORTUGAL COMMUNIQUE:
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LISBON 07254 191740Z

ACCORDING TO A COMMUNICATION DATED FEBRUARY 11, 1977, ISSUED BY THE PRIME MINISTER'S CABINET AND PUBLISHED BY THE PORTUGUESE PRESS, THE UNITED STATES TREASURY GRANTED IN FEBRUARY SHORT-TERM CREDIT FACILITIES TO THE BANCO DE PORTUGAL OF 300 MILLION DOLLARS THROUGH THE U.S. TREASURY EXCHANGE STABILIZATION FUND, IN THE CONTEXT OF A PROGRAM

OF BALANCE OF PAYMENT ASSISTANCE FOR PORTUGAL, THE
FORMALITIES OF WHICH HAVE BEEN REALIZED ACCORDING TO
CONDITIONS WHICH ARE OF PUBLIC KNOWLEDGE.

PART OF THE LOAN, IN THE AMOUNT OF 85 MILLION DOLLARS,
REPRESENTED ADVANCES RELATING TO CREDIT FACILITIES TO BE
EXTENDED BY THE INTERNATIONAL MONETARY FUND; THIS PART
WAS REPAYED ON THE DATES OF UTILIZATION OF SUCH CREDIT
FACILITIES. THE BALANCE DRAWN WAS IN THE FORM OF RECIPROCAL
DEPOSITS OF GOLD BETWEEN THE BANCO DE PORTUGAL AND THE ESF,
WHICH MATURED ON SEPTEMBER 1, 1977. ON THIS DATE, THE
DEPOSITS WERE REVERSED, WHICH BECAUSE OF THE UTILIZATION
MEANWHILE MADE OF THE AMERICAN DEPOSIT DURING THE PERIOD
OF THE CONTRACT, ENTAILED A DROP IN THE RESERVES OF THE
BANK OF PORTUGAL OF 46,205.737 KILOS OF GOLD, WHICH
REPRESENTS ABOUT FIVE PERCENT OF THE RESERVES OF THE BANK
OF PORTUGAL.

CARLUCCI

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 19-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON07254
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770340-0792
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770949/aaaabpfu.tel
Line Count: 80
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 810d8942-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 LISBON 7221
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1224426
Secure: OPEN
Status: NATIVE
Subject: BANK OF PORTUGAL ANNOUNCES REPAYMENT OF ESF LOAN
TAGS: EFIN, PO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/810d8942-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009